



**CITY OF TUCSON**

# **MEDIA RELEASE**

## **FOR IMMEDIATE RELEASE**

**Contact:** Bruce Plenk  
Solar Energy Coordinator  
(520) 791-5111, ext. 327

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**TTY:** (520) 791-2639

### **CITY PLACES \$7.6 MILLION OF SPECIAL BONDS FOR 7 SOLAR PROJECTS**

On February 26, 2009, the City of Tucson successfully placed \$7.6 million of Clean Renewable Energy Bonds (CREBs) which will allow the City to build one megawatt of solar electric (photovoltaic) projects on seven city sites. These projects will save over 1,895 carbon equivalent tons and help the City meet its greenhouse gas reduction goals.

In addition, these projects will net the City over \$3.4 million over the 25 year life of the solar equipment. These projects will also fulfill the City's match under its Solar America Cities Grant from the US Department of Energy.

Bank of America purchased the tax credit bonds to be paid back by the City over 13 years using funds from energy savings and solar rebates from Tucson Electric Power. Due to the unique nature of these bonds, the City was able to place them even in difficult economic times and without any interest. Mayor and Council approved the bond sale at their January 27, 2009 meeting. City staff and advisors have worked since then to complete the transaction.

The City obtained authorization for these bonds from the IRS in 2007. They carry no interest charges but allow the purchaser to take a tax credit in lieu of interest to allow cities which are not eligible for the 30% federal solar investment tax credit to finance renewable energy projects. This is the first issuance of such bonds in the State of Arizona, although Sulphur Springs Valley Electric Coop in Wilcox received money from similar bonds issued by a national group of rural utilities last year and used the funds to pay for solar shade structures at schools.

The City of Tucson, which will celebrate 10 Years of Solar on City buildings later this year, will use the funds to expand its city solar capacity from 220 kW to over 1.2 megawatts.

The seven projects are located throughout Tucson, from the far southeast side at the Public Safety Training Academy to the Hayden Udall CAP Plant west of town, and includes two neighborhood centers, El Pueblo and El Rio, as well as the City IT Building downtown, a warehouse at Reid Park, and the Roger Road Reclaimed Water Reservoir. At each location, the solar panels will cover a portion of the electric load. SPG Solar of Novato, CA will install the solar systems and maintain them for 10 years under a service contract.

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